List of Products

Tobacco

- Marlboro
- Virginia Slims
- Parliament
- Merit
- Benson & Hedges
- Basic
- L&M
- Chesterfield
- Lark
- Cambridge

Selected International Brands*

- Apollo Soyuz
- Bond Street
- Caro
- Diana
- f6
- Kazakstan
- Klubowo
- Longbeach
- Multifilter
- Muratti
- Peter Jackson
- Petra
- Philip Morris
- Polyot
- SG
- Vatra

Food

Cheese, Meals and Enhancers

Cheese

- Athenos
- Cheez Whiz
- Churny
- Cracker Barrel
- Dell Ekkore
- DiGiorno
- Easy Cheese
- Hoffman's
- Kraft
- Philadelphia
- Poly-O
- Velveeta

Dairy Products

- Breakstone's sour cream, cottage cheese
- Knudsen sour cream, cottage cheese
- Kraft dips
- Light n' Lively lowfat cottage cheese

Meals

- Kraft macaroni & cheese and other dinners
- Minute
- Stove Top
- Taco Bell†
- Velveeta shells & cheese

Enhancers

- A.1.
- Bull's-Eye
- Good Seasons
- Grey Poupon
- Kraft barbecue sauce, mayonnaise, salad dressings
- Miracle Whip
- Oven Fry
- Sauceworks
- Seven Seas
- Shake 'N Bake

Biscuits, Snacks and Confectionery

Cookies & Crackers

- Better Cheddars
- Cheese Nips
- Chips Ahoy!
- Handi-Snacks
- Honey Maid
- Newtons
- Nilla
- Nutter Butter
- Oreo
- Premium
- Ritz
- SnackWell's
- Stella D'oro
- Teddy Grahams
- Triscuit
- Wheat Thins

Snacks

- Combuts
- Planters

Pet Snacks

- Milk-Bone

Confectionery

- Altoids
- Callard & Bowser**
- Creme Savers
- Farley's
- Gummi Savers
- Jet-Puffed
- Life Savers
- Milka L'il Scoops
- Now and Later
- Sather's
- Terry's
- Tobler
- Toblerone
- Trolli

Beverages, Desserts and Cereals

Beverages

- Capri Sun†
- Country Time
- Crystal Light
- Kool-Aid
- Tang

Coffee

- General Foods International Coffees
- Gevalia
- Maxwell House
- Sanka
- Starbucks†
- Yuban

Desserts

- Baker's
- Balance Bar
- Breyers yogurt†
- Calumet
- Carlo
- Cool Whip
- Dream Whip
- Ever-Fresh
- Handi-Snacks
- Jell-O
- Knox
- Light n' Lively lowfat yogurt
- Minute
- Sure-Jell

Cereals

- Alpha-Bits
- Banana Nut Crunch
- Blueberry Morning
- Cranberry Almond Crunch
- Cream of Wheat
- Cream of Rice
- Fruit & Fibre
- Golden Crisp
- Grape-Nuts
- Great Grains
- Honey Bunches of Oats
- Honeycomb
- Oreo O's
- Pebbles†
- Raisin Bran
- Shredded Wheat
- Toasties
- Waffle Crisp

Oscar Mayer and Pizza

Meats

- Louis Rich
- Louis Rich Carving Board
- Lunchables
- Oscar Mayer

Meat Alternatives

- Boca

Pickles and Sauerkraut

- Claussen

Pizza

- California Pizza Kitchen†
- DiGiorno
- Jack's
- Tombstone

Selected International Brands*

Snacks

- Aladdin
- Artic
- Cerealitas
- Chips Ahoy!
- Club Social
- Côte d'Or
- Daim
- Diamante Negro
- Estrella
- Express
- Figaro
- Frea
- Guayabita
- Korona
- Lacta
- Laka
- Lucky
- Maarud
- Merbu
- Merabou
- Merries
- Milan
- Milka
- Oreo
- Ouro Branco
- Pacific Soda
- Peanett
- Planters
- Polana
- Prince Polo
- Rhodesia
- Ritz
- Royal
- Shot
- Sonho de Valsa
- Suchard
- Sugus
- Tapita
- Terrabusi
- Terry's
- Trakinas
- Toblerone
- Tita

Coffee

- Blendy
- Carte Noire
- Dadak
- Gevalia
- Grand' Mère
- Kaffee HAG
- Jacobs Krönung
- Jacobs Milea
- Jacoba Monarch
- Jacques Vabre
- Kenco
- Maxim
- Maxwell
- Nabob
- Oniko
- Saimaza
- Splendid

Powdered Soft Drinks

- Clight
- Fresh
- Frisco
- Kool-Aid
- Mañanita
- Q-Refres-Ko
- Ki-Suco
- Royal
- Tang
- Verao

Cheese

- Darylea
- Eden
- El Caserío
- Invernizzi
- Kraft Cracker Barrel
- Kraft Lindenberger
- Kraft Singles
- Kraft Sottilette
- Mama Luise
- Philadelphia
- P'tit Québec

Convenient Meals and Grocery

- Darylea Lunchables
- Fleischmann's
- Kraft Delissio pizza
- Kraft Lunchables
- Kraft ketchup
- Kraft peanut butter
- Kraft pourables
- Magic Moments
- Miracel Whip
- Miracoli
- Simmenthal
- Vegemite

Beer

- Miller Lite
- Miller Genuine Draft
- Miller Genuine Draft Light
- Miller High Life
- Miller High Life Light
- Milwaukee's Best
- Milwaukee's Best Light
- Icehouse
- Foster's†
- Red Dog
- Southpaw Light
- Leinenkugel's
- Henry Weinhard's
- Henry's Hard Lemonade
- Hamm's
- Mickey's
- Olde English 800
- Magnum
- Presidente
- Sharp's non-alcohol brew

*Not generally available in the U.S. **International products available in some specialty stores and supermarkets. †Licensed trademark.

PM3006558629

Philip Morris Companies Inc. 2001 Fact Book

This is...

- The Philip Morris family of companies is the world's largest producer and marketer of consumer packaged goods, with major tobacco, food and beer businesses generating over $80 billion in 2000 underlying revenues.
- Philip Morris has one of the most valuable portfolios of premium brands in the consumer packaged goods industry. It includes 91 brands—including 16 from the Nabisco acquisition—that each exceeded $100 million in 2000 revenues and 15 that each topped $1 billion.
- Philip Morris' extensive worldwide network of manufacturing plants and distribution channels ensures that it can effectively meet consumer demand in each of the markets around the globe where it does business. The company has 178,000 employees worldwide, with expertise in local business practices, cultures and languages.

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

2000 Financial Highlights

(In millions of dollars, except per share data)

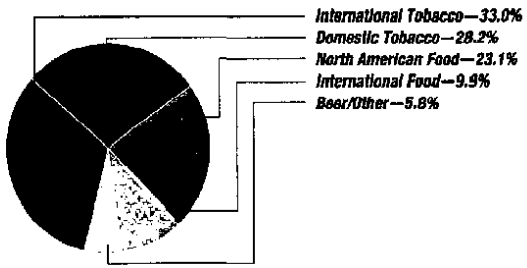
Consolidated Results

	Reported			Underlying*		
	2000	1999	% Change	**2000**	1999	% Change
Operating revenues	**$80,356**	$78,596	2.2%	**$80,316**	$77,829	3.2%
Operating companies income **	**16,228**	14,825	9.5%	**16,045**	15,144	5.9%
Net earnings	**8,510**	7,675	10.9%	**8,427**	7,926	6.3%
Basic earnings per share	**3.77**	3.21	17.4%	**3.73**	3.31	12.7%
Diluted earnings per share	**3.75**	3.19	17.6%	**3.71**	3.30	12.4%
Dividends declared per share	**2.02**	1.84	9.8%	**2.02**	1.84	9.8%

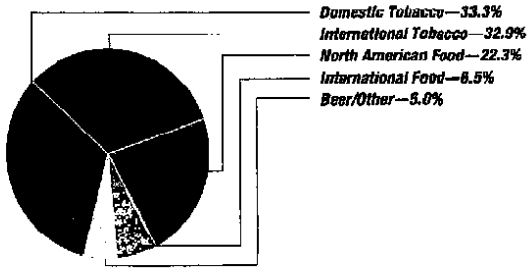
Compounded Average Annual Growth Rates

	2000-1995	2000-1990	2000-1985	**2000-1995**	2000-1990	2000-1985
Operating revenues	**4.0%**	4.6%	11.3%	**4.0%**	4.6%	11.3%
Net earnings	**9.3%**	9.2%	13.6%	**9.0%**	9.1%	13.5%
Basic earnings per share	**11.7%**	11.4%	15.4%	**11.3%**	11.3%	15.3%
Diluted earnings per share	**11.8%**	11.4%	15.4%	**11.4%**	11.3%	15.3%

2000 Underlying Operating Revenues



2000 Underlying Operating Companies Income



Balance Sheet Highlights and Ratios	**2000**	1999
Total assets	**$79,067**	$61,361
Total debt (consumer products)	**27,196**	13,522
Total debt (financial services)	**1,926**	946
Stockholders' equity	**15,005**	15,305
Ratio of total debt to stockholders' equity	**1.94 to 1**	0.95 to 1
Ratio of consumer products debt to stockholders' equity	**1.81 to 1**	0.88 to 1

Cash Flow Statement Highlights	**2000**	1999
Net cash provided by operating activities	**$11,044**	$11,375
Capital expenditures (consumer products)	**1,682**	1,749
Dividends paid	**4,500**	4,338

Common Share Data	**2000**	1999
Market price per common share high–low	**$45.94-18.69**	$55.56-$21.25
Closing price of common share at year end	**$44.00**	$23.00
Dividends declared per share	**$ 2.02**	$ 1.84
Price/earnings ratio (diluted basis) at year end	**12**	7
Number of common shares outstanding at year end (in millions)	**2,209**	2,339

Notes:

*Underlying results reflect the results of our business operations, excluding significant one-time items for employee separation programs, write-downs of property, plant and equipment, sales made in advance of the century date change and gains on sales of businesses. Underlying operating revenues and operating companies income also exclude the results of businesses that have been sold.

**Operating companies income is defined as income before amortization of goodwill, general corporate expenses, minority interest and interest and other debt expense, net.

PM3006558630

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

Philip Morris

- In December 2000, Philip Morris acquired Nabisco Holdings Corp. for an aggregate price of $19.2 billion, adding leading food brands in dynamic categories to our global portfolio. Due to the timing of the acquisition, Nabisco 2000 operating results are not included in Philip Morris' year-end income statement, as the effects of such inclusion would have been immaterial.

- Philip Morris increased its quarterly dividend by 10.4% to an annualized rate of $2.12 per common share in 2000.

- The Company bought back 138 million shares during 2000 at a cost of $3.6 billion. In February 2001, the Board of Directors authorized a new three-year $10 billion share repurchase program.

- Philip Morris is a leader in corporate giving. Since 1990, the company has contributed more than $1 billion in cash and food donations—$125 million in 2000 alone—to fight hunger, help domestic violence victims and support the arts and other important causes.

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

Domestic Tobacco

Philip Morris U.S.A.

- Philip Morris U.S.A. is the largest cigarette company in the United States.
- More than one out of every three cigarettes sold in the U.S. is a *Marlboro*, making the brand the nation's best-selling cigarette.
- Other brands include *Virginia Slims, Parliament, Merit* and *Benson & Hedges.*
- Philip Morris U.S.A.'s principal discount brand is *Basic,* which holds a 5.2% share of the discount segment.
- In 2000, Philip Morris U.S.A. launched *Marlboro Milds* in the menthol segment, where *Marlboro Menthol* is the fastest-growing major menthol brand.
- We continued our commitment to help prevent youth smoking, including funding for advertising, education, community action and access prevention. In addition, we are advocating tough but reasonable regulation of cigarettes in the U.S. by the Food and Drug Administration. We are also working to minimize environmental tobacco smoke through our Options initiative and believe that smoking should be prohibited in certain venues, such as ones predominantly catering to children.

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

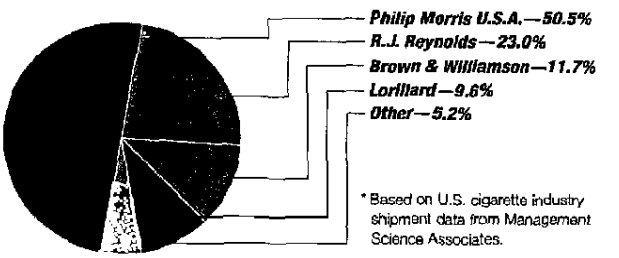
Philip Morris Inc. (Philip Morris U.S.A.)

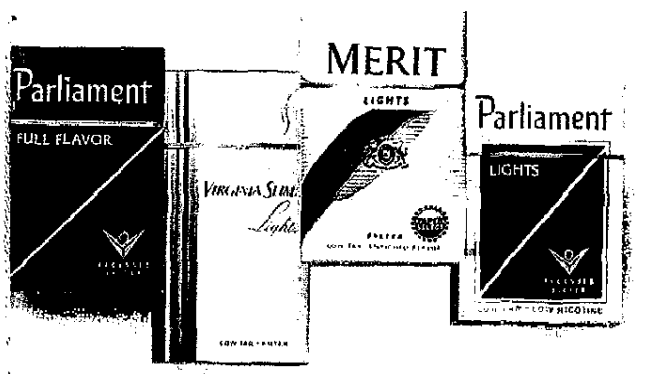
(in millions, with % change vs. prior year)	*2000*	1999
Operating revenues	**$22,658, up 15.6%**	$19,596, up 26.0%
Operating companies income—underlying*	**5,350, up 6.0%**	5,048, down 2.7%

*Underlying operating companies income for 1999 excludes pre-tax charges of $183 million for employee separation programs in the Company's domestic tobacco business.

Volume (billions of units, with % change vs. prior year)	*2000*	1999
Philip Morris U.S.A.	**211.9, up 1.8%**	208.2, down 8.5%
Industry	**419.8, up 0.1%**	419.3, down 9.0%

*2000 Share of the U.S. Market**





Domestic Tobacco Brands

PM3006558633

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

International Tobacco

Philip Morris International Inc.

- Philip Morris International (PMI) sold 675.4 billion cigarettes on an underlying basis in 2000.
- *Marlboro* remains the top international brand. In 2000, *Marlboro* registered volume growth of 1.7%.
- Other international brands include *L&M, Philip Morris, Lark, Parliament, Bond Street, Chesterfield, Merit* and *Virginia Slims.*
- Additional brands include *Petra, f6, Multifilter, Longbeach, Caro, Klubowe* and *Diana.*
- We continue to build on our leading positions in the American-blend and low-tar-and-nicotine segments with new products and marketing initiatives.
- PMI participates in over 130 youth smoking prevention programs in almost 70 countries.

International Tobacco Brands

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

Philip Morris International Inc.

(in millions, with % change vs. prior year)	*2000*	1999
Operating revenues—underlying*	**$26,503, down 3.2%**	$27,377, down —%
Operating companies income—underlying*	**5,270, up 4.5%**	5,045, up 0.3%

*Underlying operating revenues and operating companies income for 2000 include revenues and income from sales made in advance of the century date change. Underlying operating companies income for 1999 also excludes pre-tax charges of $136 million for employee separation programs and a capacity reduction in the Company's international tobacco business in Brazil.

Volume (billions of units, with % change vs. prior year)	*2000*	1999
Philip Morris International, underlying*	**875.4, up 1.1%**	867.9, down 6.8%
Estimated international cigarette market**	**4,690, down —%**	4,691, down 1.4%
Estimated share of international cigarette market**	**13.8%**	13.5%

*Underlying volume for 2000 includes volume from sales made in advance of the century date change.

**The estimated international cigarette market and the estimated share of the international cigarette market exclude the United States and duty-free shipments.

PM3006558635

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

North American Food

Kraft Foods North America, Inc.

- Kraft Foods North America is the largest branded food and beverage company in the U.S.
- In December 2000, we closed our acquisition of Nabisco and began to integrate its brands into our existing Kraft businesses.
- Our North American food business is organized around four areas:
- **Cheese, Meals and Enhancers**—Kraft Foods North America markets a number of products under the *Kraft* brand, including natural and process cheeses, macaroni & cheese dinners, mayonnaise, pourable salad dressings and barbecue sauces. Other brand names include *Velveeta, Cracker Barrel, Philadelphia, Miracle Whip, Bull's-Eye, Good Seasons, A.1.* and *Grey Poupon.*
- **Biscuits, Snacks and Confectionery**—This includes popular products such as *Chips Ahoy!, Newtons, Oreo, Ritz, Triscuit, Planters, Altoids, Life Savers* and *Terry's.*
- **Beverages, Desserts and Cereals**—Kraft is one of the largest coffee companies in the U.S. Major brands include *Maxwell House, Yuban, Sanka* and *General Foods International Coffees.* In ready-to-drink and powdered beverages, Kraft brands include *Capri Sun, Tang* and *Kool-Aid.* In desserts, brands include *Balance Bar, Cool Whip, Kraft Handi-Snacks* and *Jell-O.* In cereals, brands include *Grape-Nuts, Raisin Bran* and *Waffle Crisp.*
- **Oscar Mayer and Pizza**—Products include processed meats, lunch combinations, pizza and pickles, marketed under the *Oscar Mayer, Louis Rich, Lunchables, DiGiorno* and *Claussen* brand names.

- Kraft Foods North America is committed to providing helpful information about balanced diets and meeting the demand for health and wellness benefits in the foods we market.

PM3006558636

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

Kraft Foods North America, Inc.

(in millions, with % change vs. prior year)	***2000***	1999
Operating revenues—underlying*	**$18,522, up 4.1%**	$17,801, up 1.1%
Operating companies income—underlying*	**3,570, up 7.8%**	3,312, up 6.1%

*Underlying operating revenues and operating companies income exclude the results of businesses that have been sold since the beginning of 1999 and for 2000 include revenues and income from sales made in advance of the century date change. Underlying operating companies income for 1999 excludes pre-tax charges of $157 million for employee separation programs in the Company's North American food business.

Effective in 2000, managerial responsibility for the Company's food operations in Mexico and Puerto Rico was transferred from the *international food segment* to the North American food segment. Prior period amounts have been reclassified to reflect the transfer.

Number 1 ranking in the United States (2000) for the following categories (based on dollar shares):

Cookies, Crackers, Ready-to-Eat Refrigerated Desserts, Snack Nuts, Sugar Confectionery, Aseptic Juice Drinks, Coffee, Powdered Soft Drinks, Cream Cheese, Grated Cheese, Natural Cheese, Process Cheese Loaves, Process Cheese Slices, Dry Packaged Desserts, Frozen Whipped Toppings, Salad Dressings, Spoonable Dressings, Steak Sauces, Bacon, Cold Cuts, Frozen Pizza, Lunch Combinations and Macaroni & Cheese Dinners.

North American Food Brands

PM3006558637

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

International Food

Kraft Foods International, Inc.

- Kraft Foods International is the largest U.S.-based food business in Europe, and among the largest in the Asia/Pacific region.
- Kraft Foods International is divided into two regions—Europe, Middle East and Africa (EMEA) and Latin America and Asia Pacific (LAAP)—and markets the following products:
- **Snacks**—brands include *Club Social, Chips Ahoy!, Milka, Sugus, Toblerone, Suchard, Freia, Marabou, Daim, Terry's* and *Côte d'Or.*
- **Beverages**—includes coffee brands such as *Carte Noire, Gevalia, Grand' Mère, Kaffee HAG, Jacobs, Jacques Vabre, Saimaza, Kenco, Maxwell House* and *Dadak.* Powdered soft drinks include *Tang, Kool-Aid, Royal* and *Clight.*
- **Cheese**—brands include *Kraft, Philadelphia, Dairylea, El Caserío, Kraft Sottilette* and *Eden.*
- **Grocery**—products include *Miracel Whip* and *Vegemite.*
- **Convenient Meals**—includes a number of products under the *Kraft* brand, including *Mirácoli* and *Dairylea Lunchables.*
- We are committed to reducing the environmental impact of our operations, and promoting the sustainability of natural resources.

International Food Brands

PM3006558638

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

Kraft Foods International, Inc.

(in millions, with % change vs. prior year)	2000	1999
Operating revenues—underlying*	**$7,966, down 6.8%**	$8,547, down 6.6%
Operating companies income—underlying*	**1,050, up 5.4%**	996, up 0.9%

*Underlying operating revenues and operating companies income exclude the results of businesses that have been sold since the beginning of 1999 and for 2000 include revenues and income from sales made in advance of the century date change. Underlying operating companies income for 2000 also excludes a pre-tax gain of $139 million on the sale of a French confectionery business.

Effective in 2000, managerial responsibility for the Company's food operations in Mexico and Puerto Rico was transferred from the international food segment to the North American food segment. Prior period amounts have been reclassified to reflect the transfer.

Number 1 ranking in Foreign Markets (2000) for the following categories (based on volume shares):

Biscuits: Argentina, Venezuela.
Chocolate: Austria, Belgium, Norway, Sweden.
Salty Snacks: Scandinavia/Finland.
Coffee: France, Germany, Sweden.
Powdered Soft Drinks: Argentina, Brazil.
Spoonable Dressings: Germany.
Yeast Spreads: Australia.
Cream Cheese: Germany, Italy, United Kingdom.
Process Cheese: Australia, Italy, United Kingdom.
Canned Beef: Italy.

PM3006558639

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

Beer

Miller Brewing Company

■ Miller Brewing Company is the second-largest U.S. brewery.

■ The company's premium/near-premium beers include *Miller Lite, Miller Genuine Draft, Miller Genuine Draft Light, Icehouse, Foster's* and the *Miller High Life* franchise, comprising *Miller High Life* and *Miller High Life Light.*

■ In 2000, Miller continued to benefit from the four trademarks acquired from the Pabst and Stroh breweries—*Olde English 800, Hamm's, Mickey's Malt Liquor* and *Henry Weinhard's.*

■ Miller continues to address drunk driving and underage drinking issues by working with legislators, law-enforcement agencies, public policy leaders, labor organizations, beer distributors and community groups. Miller's education efforts include a comprehensive Responsibility Initiative that provides training and tools for its sales force and distributors so they can become actively engaged in preventing drunk driving and underage drinking. We also significantly broadened the distribution of "Let's Talk," a guide to educate parents on how to talk to their children about alcohol and responsible decision making.

PM3006558640

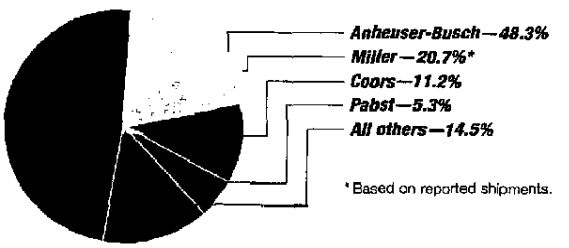
Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

Miller Brewing Company

(in millions, with % change vs. prior year)	2000	1999
Operating revenues—underlying*	**$4,260, up 2.3%**	$4,153, up 7.1%
Operating companies income—underlying*	**543, up 5.4%**	515, up 22.3%

*Results exclude businesses sold since the beginning of 1999. Underlying operating companies income for 2000 excludes a pre-tax gain of $100 million for the sale of Molson U.S. beer rights and for 1999 excludes a $29 million pre-tax charge related to asset write-downs.

Estimated 2000 Share of U.S. Market*



*Based on reported shipments.

Beer Brands

PM3006558641

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

Financial Services

Philip Morris Capital Corporation (in millions, with % change vs. prior year)	**2000**	1999
Operating revenues	**$417, up 17.5%**	$355, up 29.1%
Operating companies income	**262, up 14.9%**	228, up 24.6%

Philip Morris Capital Corporation

■ Philip Morris Capital Corporation (PMCC) invests in leveraged and direct finance leases, and other tax-oriented financing transactions.

■ In 2000, PMCC continued to increase its leasing and structured finance portfolio with a broad array of domestic and international investments.

Shareholder Information

Shareholder Response Center:
EquiServe Trust Company, our shareholder services and transfer agent, will be happy to answer questions about your accounts, certificates or dividends. U.S. and Canadian shareholders may call toll-free: **1-800-442-0077.** From outside the U.S. or Canada, shareholders may call: **201-222-4994.**

Or write to:
EquiServe Trust Company
P.O. Box 2584
Jersey City, NJ 07303-2584

E-mail address:
pmfct@equiserve.com

To eliminate duplicate mailings, please contact EquiServe (if you are a registered shareholder) or your broker (if you hold stock through a brokerage firm).

Dividend Reinvestment:
The Dividend Reinvestment and Stock Purchase Plan provides registered owners of common stock with a convenient way to purchase additional shares. Please contact EquiServe for a prospectus and enrollment form.

Shareholder Publications:
Philip Morris makes a variety of publications, reports and legal filings available to its shareholders. These include the Annual Report, fact book and quarterly fact sheets, environmental report, proxy statement, news releases, Securities and Exchange Commission filings (Forms 10-K, 10-Q) and publications concerning the company's diversity and corporate governance principles.

For copies, please visit our Web site at: ***www.philipmorris.com.*** If you do not have Internet access, you may call our Shareholder Publications Center toll-free: **1-800-367-5415.**

Stock Exchange Listings:
Philip Morris is listed on the New York Stock Exchange (ticker symbol "MO"). The company is also listed on the following exchanges: Amsterdam, Antwerp, Australia, Brussels, Frankfurt, London, Luxembourg, Paris, Swiss, Tokyo and Vienna.

Help Us Reduce Costs:
Shareholders can register to receive future shareholder materials (i.e., Annual Report and proxy statement) and vote their proxy via the Internet. For complete instructions, visit www.philipmorris.com.

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Philip Morris

2000 Year-End Fact Sheet

Consolidated Financial Review

(in millions, except per share data)

Reported Selected Earnings Highlights	2000	1999
Operating revenues	**$80,356**	$78,596
Cost of sales	**29,148**	29,561
Excise taxes on products	**17,080**	16,845
Operating companies income [A]	**16,228**	14,825
Earnings before income taxes	**13,960**	12,695
Net earnings	**8,510**	7,675
Basic EPS	**3.77**	3.21
Diluted EPS	**3.75**	3.19

[A] Operating companies income is income before goodwill, general corporate expenses, minority interest, interest and other debt expense, net, and income taxes.

Underlying Earnings Highlights	Operating Revenues 2000	Operating Revenues 1999	Operating Companies Income 2000	Operating Companies Income 1999
Consolidated Totals	**$80,316**	$77,829	**$16,045**	$15,144
% of Total: Tobacco	**61%**	60%	**66%**	67%
Food	**33%**	34%	**29%**	28%
Beer	**5%**	5%	**3%**	4%
Financial Services	**1%**	1%	**2%**	1%

	2000	1999
Net earnings	**$8,427**	$7,926
Basic EPS	**$ 3.73**	$ 3.31
Diluted EPS	**$ 3.71**	$ 3.30

Underlying operating revenues and operating companies income exclude operating results for businesses divested since the beginning of 1999. Underlying operating revenues and operating companies income for 2000 include revenues and income from sales made in advance of the century date change. Underlying operating companies income, net earnings and per share data exclude $183 million of pre-tax charges for employee separation programs in the Company's domestic tobacco business in 1999, pre-tax charges of $136 million for employee separation programs and a capacity reduction in the Company's international tobacco business in Brazil in 1999, $157 million of pre-tax charges for employee separation programs for the Company's North American food business in 1999, pre-tax charges of $29 million related to asset write-downs for the Company's beer business in 1999, a pre-tax gain of $139 million on the sale of a French confectionery business in 2000 and a pre-tax gain of $100 million on the sale of beer rights in 2000.

Balance Sheet Highlights and Ratios	2000	1999
Property, plant and equipment, net (consumer products)	**$15,303**	$12,271
Inventories (consumer products)	**8,765**	9,028
Total assets	**79,067**	61,381
Total debt (consumer products)	**27,196**	13,522
Total debt (financial services)	**1,926**	946
Stockholders' equity	**15,005**	15,305
Ratio of total debt to stockholders' equity	**1.94 to 1**	0.95 to 1
Ratio of consumer products debt to stockholders' equity	**1.81 to 1**	0.88 to 1
Net return on average stockholders' equity	**56.2%**	48.7%

Cash Flow Statement Highlights	2000	1999
Net cash provided by operating activities	**$11,044**	$11,375
Capital expenditures (consumer products)	**1,682**	1,749
Dividends paid	**4,500**	4,338

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001

Domestic Tobacco

(in millions, with % change vs. prior year)

Philip Morris Inc. (Philip Morris U.S.A.)	2000	1999
Operating revenues	**$22,658, up 15.6%**	$19,596, up 28.0%
Operating companies income—underlying*	**$ 5,350, up 6.0%**	$ 5,048, down 2.7%

*Underlying operating companies income for 1999 excludes pre-tax charges of $183 million for employee separation programs in the Company's domestic tobacco business.

International Tobacco

(in millions, with % change vs. prior year)

Philip Morris International Inc.	2000	1999
Operating revenues—underlying*	**$26,503, down 3.2%**	$27,377, down –%
Operating companies income—underlying*	**$ 5,270, up 4.5%**	$ 5,045, up 0.3%

*Underlying operating revenues and operating companies income for 2000 include revenues and income from sales made in advance of the century date change. Underlying operating companies income for 1999 also excludes pre-tax charges of $136 million for employee separation programs and a capacity reduction in the Company's international tobacco business in Brazil.

North American Food

(in millions, with % change vs. prior year)

Kraft Foods North America, Inc.	2000	1999
Operating revenues—underlying*	**$18,522, up 4.1%**	$17,801, up 1.1%
Operating companies income—underlying*	**$ 3,570, up 7.8%**	$ 3,312, up 6.1%

*Underlying operating revenues and operating companies income exclude the results of businesses that have been sold since the beginning of 1999 and for 2000 include revenues and income from sales made in advance of the century date change. Underlying operating companies income for 1999 excludes pre-tax charges of $157 million for employee separation programs in the Company's North American food business.

Effective in 2000, managerial responsibility for the Company's food operations in Mexico and Puerto Rico was transferred from the international food segment to the North American food segment. Prior period amounts have been reclassified to reflect the transfer.

International Food

(in millions, with % change vs. prior year)

Kraft Foods International, Inc.	2000	1999
Operating revenues—underlying*	**$7,966, down 6.8%**	$8,547, down 6.6%
Operating companies income—underlying*	**$1,050, up 5.4%**	$ 996, up 0.9%

*Underlying operating revenues and operating companies income exclude the results of businesses that have been sold since the beginning of 1999 and for 2000 include revenues and income from sales made in advance of the century date change. Underlying operating companies income for 2000 also excludes a pre-tax gain of $139 million on the sale of a French confectionery business.

Effective in 2000, managerial responsibility for the Company's food operations in Mexico and Puerto Rico was transferred from the international food segment to the North American food segment. Prior period amounts have been reclassified to reflect the transfer.

Beer

(in millions, with % change vs. prior year)

Miller Brewing Company	2000	1999
Operating revenues—underlying*	**$4,250, up 2.3%**	$4,153, up 7.1%
Operating companies income—underlying*	**$ 543, up 5.4%**	$ 515, up 22.3%

*Results exclude businesses sold since the beginning of 1999. Underlying operating companies income for 2000 excludes a pre-tax gain of $100 million for the sale of Molson U.S. beer rights and for 1999 excludes a $29 million pre-tax charge related to asset write-downs.

Financial Services

(in millions, with % change vs. prior year)

Philip Morris Capital Corporation	2000	1999
Operating revenues	**$417, up 17.5%**	$355, up 29.1%
Operating companies income	**$282, up 14.9%**	$228, up 24.6%

Source: https://www.industrydocuments.ucsf.edu/docs/zlwj0001